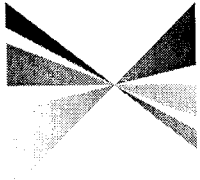


SOUTHERN CALIFORNIA



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## MEETING OF THE

# ENERGY WORKING GROUP

**Tuesday, November 28, 2006  
12:30 p.m. – 2:30 p.m.**

**SCAG Offices  
818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
Riverside B Conference Room  
Los Angeles, California 90017  
213.236.1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at 213.236.1993 or [salcido@scag.ca.gov](mailto:salcido@scag.ca.gov)

Agenda and minutes are available on the web at:  
<http://scag.ca.gov/rcp/ewg.htm>

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# ENERGY WORKING GROUP

## AGENDA

November 28, 2006

### 1.0 CALL TO ORDER

Honorable  
Debbie Cook, Chair

### 2.0 PUBLIC COMMENT PERIOD

Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker's card to the Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The chair may limit the total time for all comments to twenty (20) minutes.

### 3.0 REVIEW and PRIORITIZE AGENDA ITEMS

### 4.0 CONSENT CALENDAR

4.1 Minutes of October 3, 2006 01

### 5.0 DISCUSSION ITEMS

- |  |  |    |            |
|--|--|----|------------|
| 5.1 <u>Presentation on Natural Gas Attachment</u><br>Information on natural gas will be presented.   | Lee Stewart<br>Sr. V-President<br>Sempra Utilities | 04 | 30 Minutes |
| 5.2 <u>Infrastructure Bond Measures</u><br><br>Staff will provide information on SCAG's role in implementing the infrastructure bonds passed on November 7 <sup>th</sup> | Jeff Dunn<br>SCAG Staff                            |    | 15 Minutes |
| 5.3 <u>AB 32 Attachment</u><br>Staff will present information on AB 32, The Global Warming Solutions Act   | Jeff Dunn<br>SCAG Staff                            | 05 | 15 Minutes |
| 5.4 <u>Energy Performance Outcomes Proposal Attachment</u><br>Staff will present the RCP Energy Outcomes and Strategies Proposal for input.                              | Jennifer Sarnecki<br>SCAG Staff                    | 08 | 60 Minutes |



# ENERGY WORKING GROUP

## AGENDA

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### 6.0 CHAIR'S REPORT

Honorable  
Debbie Cook, Chair

### 7.0 STAFF REPORT

### 8.0 FUTURE AGENDA ITEMS

Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three (3) minutes.

### 9.0 ANNOUNCEMENTS

### 10.0 ADJOURNMENT

The group will discuss the schedule for 2007.



The following minutes are a summary of actions taken by the Energy Working Group.

The Energy Working Group held its meeting at the Southern California Association of Governments offices in Los Angeles. The meeting was called to order by Chair Debbie Cook, City of Huntington Beach.

| <b><u>Members Present</u></b> | <b><u>Representing</u></b> |
|-------------------------------|----------------------------|
| Margaret Clark                | City of Rosemead           |
| Katrina Rosa                  | HDR                        |
| Debbie Cook                   | City of Huntington Beach   |
| Angela Mazzie                 | L.A. County                |
| Jim Stewart                   | Sierra Club                |
| Ty Schuiling (Phone)          | SANBAG                     |
| Brian Brennan                 | City of Ventura            |
| Michael Feinstein             | Ex-Officio                 |
| Felix Odeyami                 | SCE                        |

### **1.0 CALL TO ORDER**

Debbie Cook, Chair, called the meeting to order at 12:45 p.m.

### **2.0 PUBLIC COMMENT PERIOD**

None offered.

### **3.0 REVIEW AND PRIORITIZE AGENDA ITEMS**

### **4.0 CONSENT CALENDAR**

#### **4.1 Approval of the August 22, 2006 Minutes.**

The minutes of May 23, 2006 were approved as amended.

### **5.0 DISCUSSION ITEMS**

#### **5.1 Energy Consultant Introduction**

Mike Lawrence of Jack Faucett Associates provided an introduction presentation of the consultant team, that also includes Mike Jackson, TIAX, and Lewison Lem of the University of California Transportation Center.

### **5.2 Energy Efficient Buildings**

Katrina Rosa, LEED AP, Sustainable Design Project Manager, HDR Architecture, Inc., provided a presentation on Energy Efficient Buildings. She reported that in the early 1990's the U.S. Green Building Council was developed and their primary mission is for the industry sectors to work together early on in the design process to change the way buildings are designed and built in a more energy efficient manner. The Leadership and Energy Environmental Design (LEED) was created to help define what a green building is and separate those from green washing.

### **5.3 California's Energy Action Plan**

Jennifer Sarnecki, SCAG Staff, reported that SCAG submitted a letter indicating what types of programs we have in place that account for energy conservation to the Energy Commission's Meeting on Energy and Land Use.

Debbie Cook suggested that it might be helpful for representatives of the group to visit with the Energy Commission.

Michael Feinstein asked Jennifer to agendize any CEC items of interest to this group and provide the CEC's outreach website.

### **5.4 Group Recommendations for Future Speakers**

Jennifer Sarnecki, SCAG Staff, asked the group to make recommendations for future speakers for future Energy Working Group meetings. Debbie Cook asked that the members e-mail any suggestions to Jennifer Sarnecki.

## **6.0 CHAIR'S REPORT**

None.

## **7.0 STAFF REPORT**

Jennifer Sarnecki, SCAG Staff, informed the group that on October 5, 2006, Professor Robert Kaufmann, Boston University, will speak here at the SCAG Offices regarding Oil Markets.

The initial performance outcomes will be presented to the Regional Comprehensive Plan Task Force on Monday, October 9, 2006.

The group also agreed to receive their agendas via e-mail only.

**8.0 FUTURE AGENDA ITEMS**

**9.0 ANNOUNCEMENTS**

Thursday, October 12, 2006, is the 18<sup>th</sup> Annual Clean Air Awards by AQMD.

**10.0 ADJOURNMENT**

The meeting was adjourned at 2:30 p.m. The next meeting is scheduled for November 28.

# MEMO

**DATE:** November 28, 2006  
**TO:** Energy Working Group  
**FROM:** Jennifer Brost Sarnecki, AICP, Associate Planner, (213) 236-1829, sarnecki@scag.ca.gov  
**SUBJECT:** Presentation by Lee M. Stewart, Sempra Energy utilities

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**BACKGROUND:**

Mr. Lee M. Stewart, Senior Vice President of Gas Operations at Sempra Energy Utilities will present on natural gas. His biography is provided below.

Lee M. Stewart is senior vice president of gas operations for the Sempra Energy utilities, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E). The Sempra Energy utilities are regulated subsidiaries of Sempra Energy, a San Diego-based Fortune 500 energy services holding company whose subsidiaries provide electricity, natural gas and value-added products and services. The Sempra Energy utilities provide natural gas service to 6.4 million customers and electricity service to 1.3 million customers in a service territory that encompasses 27,000 square miles throughout most of central and Southern California.

As senior vice president of gas operations, Stewart is responsible for the engineering of all gas systems and the operation of the transmission, storage and distribution facilities at SoCalGas and SDG&E.

Stewart served as senior vice president of transmission and storage facilities at SoCalGas and SDG&E from December 2001 to September 2005, president of SoCalGas' energy transportation services division (ETS) from July 1998 to December 2001 and senior vice president of ETS from January 1995 to July 1998.

He was SoCalGas' vice president of engineering and operations support from 1993 to 1994, and its vice president of transmission and storage operations from 1990 to 1993. Stewart joined SoCalGas in 1967 and has served in a variety of positions in distribution, transmission, gas supply and engineering.

Stewart holds a bachelor's degree in engineering from the University of California at Los Angeles and attended the Executive Program at the University of Michigan. He is a registered professional engineer.

Stewart is Chairman of Pipeline Research International Council (PRCI) a member of the board of directors of the Gas Technology Institute, Los Angeles Area Chamber of Commerce, the North American Energy Standards Board (formerly Gas Industry Standards Board), the California Hospital Medical Center, and the United Way. He is a member of the Fair Judicial Election Practices Committee of the Los Angeles County Bar Association.

# MEMO

**DATE:** November 28, 2006  
**TO:** Energy Working Group  
**FROM:** Jeff Dunn, Government Affairs Analyst, dunn@scag.ca.gov, (213) 236-1880  
**SUBJECT:** Global Warming Solutions Act (AB 32)

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## SUMMARY:

AB 32, the California Global Warming Solutions Act of 2006, establishes a comprehensive program of regulatory and market mechanisms to achieve quantifiable, cost-effective reductions of greenhouse gases (GHG). The bill makes the Air Resources Board (ARB) responsible for monitoring and reducing GHG emissions and enforcing provisions of the bill.

Specifically, the bill requires the ARB to do the following:

- Adopt a list of discrete, early action measures by July 1, 2007, that can be implemented before January 1, 2010, and implement such measures.
- By January 1, 2008, establish a statewide GHG emissions cap for 2020 based on 1990 emissions;
- By January 1, 2008, adopt mandatory reporting rules for significant sources of greenhouse gases;
- Approve a plan by January 1, 2009 indicating how emission reductions will be achieved from significant GHG sources via regulations, market mechanisms, alternate compliance mechanisms, and other actions;
- ARB drafts rule language to implement its plan and holds a series of public workshops on each measure – including market-based mechanisms, throughout 2009;
- ARB conducts series of rulemakings in 2010, after workshops and public hearings, to promulgate or adopt GHG regulations, which include rules governing market based mechanisms.
- Adopt regulations by January 1, 2011 to achieve the maximum technologically feasible and cost-effective reductions in GHGs, which may include provisions for using market based mechanisms;
- Prior to imposing any mandates or authorizing market based mechanisms, requires ARB to evaluate several factors, including but not limited to impacts on California's economy, the environment, and public health; equity between regulated entities; electricity reliability, conformance with other environmental laws, and to ensure that the rules do not disproportionately impact low-income communities;
- Convene and Environmental Justice Advisory Committee and Economic Technology Advancement Advisory Committee to advise ARB;



- Authorizes the Governor to invoke a safety valve in the event of extraordinary circumstances, catastrophic events or the threat of significant economic harm, for up to 12 months at a time.

### **Relevant Timelines**

The ARB is required to adhere to the following timeline in completing functions mandated by AB 32, subject to the Governor's authority to adjust applicable deadlines, for up to one year, to the earliest feasible date in the event of extraordinary circumstances, catastrophic events, or significant economic harm:

|                    |   |
|--------------------|---|
| By July 1, 2007    | ARB forms Environmental Justice and Economic & Technology Advancement advisory committees.  |
| By July 1, 2007    | ARB adopts list of discrete early action measures for GHG reduction that can be adopted and implemented before January 1, 2010.   |
| By January 1, 2008 | ARB adopts regulations for mandatory GHG emissions reporting. ARB defines 1990 emissions baseline for California (including emissions from imported power) and adopts that as the 2020 cap.   |
| By January 1, 2009 | ARB adopts a scoping plan indicating how emission reductions will be achieved from significant sources of GHGs via direct emissions regulations, market mechanisms and other actions.   |
| During 2009        | ARB staff drafts rule language to implement its plan and holds a series of public workshops on each measure – including market mechanisms.  |
| By January 1, 2010 | Early action measures take effect.  |
| During 2010        | ARB conducts series of rulemakings, after workshops and public hearings, to promulgate/adopt GHG regulations, which include rules governing market mechanisms.  |
| By January 1, 2011 | ARB completes major rulemakings for reducing GHGs including market mechanisms. ARB is NOT required to adopt a regulation including market based compliance mechanisms. ARB may revise the rules and adopt new ones after 1/1/2011 in furtherance of the 2020 cap. |
| By January 1, 2012 | GHG rule and market mechanisms (if adopted) by ARB take effect and are legally enforceable.   |
| December 21, 2020  | Deadline for achieving 2020 GHG emissions gap.  |

### **Implementation of AB 32: Governor's Executive Order S-17-06**

On October 17, 2006, Governor Schwarzenegger Executive Order S-17-06 directing the Secretary of Environmental Protection Agency (EPA), Linda Adams, to coordinate ongoing efforts related to implementation of AB 32 and, specifically, directs the Secretary to form a Market Advisory Committee to make recommendations to ARB on the design of a market-based, emissions trading compliance program by June 30, 2007. ARB is also directed to collaborate with the Secretary of the EPA and the Climate Action Team to pursue a program that permits trading with the European Union and the Northeast States' Regional Greenhouse Gas Initiative (RGGI).

The Governor's Executive Order has been criticized by Democratic leaders as ill-timed and inappropriately advancing market based emissions trading ahead of direct emissions regulations. They point out that AB 32 prioritized regulatory emission reduction measures, which are mandatory under AB 32, above market-based mechanisms, which according to AB 32 must be considered, but are not required and may be adopted only after extensive evaluation by the ARB through a public process. Senator Perata has urged the Governor to rescind the Executive Order and has admonished the Governor that the Senate will ensure faithful adherence to the law through its actions in the policy, confirmation, and budget process.

The office of the Governor and the Secretary of the EPA have defended the Executive Order as merely implementing the provisions of AB 32, noting that the Secretary already retains full legal authority to control the state's GHG emissions activities. Because AB 32 requires ARB to draft rule language on market based mechanisms, the Market Advisory Committee is formed so the Secretary can advise the ARB on what a trade and cap market with other areas of the country and world might look like. The regulatory and market-based mechanism portions of the scoping plan and rulemaking will proceed along the same timeline pursuant to a public process and, thus, neither part is advanced over the other.

### **SCAG Program Impacts**

The following impacts upon air quality programs are likely or possible due to the passage of AB 32:

- The only gas listed in AB 32 as a greenhouse gas that is also a contaminant for purposes of conformity is nitrous oxide (NO<sub>x</sub>). The NO<sub>x</sub> emissions reductions that can and likely will occur pursuant to provisions of AB 32 will help attain and maintain National Ambient Air Quality Standards for PM<sub>2.5</sub> (fine particulate) and ozone
- Depending on how concurrent benefits of greenhouse gas reductions (i.e., NO<sub>x</sub>) are accounted for in the AQMP/SIP, the bill could possibly help on-road sources demonstrate conformity due to lower emissions;
- ARB may provide a potential inducement to reduce Vehicle Miles Traveled (VMT) as a means of reducing emissions;
- There is the potential to reduce reliance on fossil fuels (though may increase use of diesel as a replacement to gasoline in the short term, e.g., increased penetration of light duty diesel vehicles).

# MEMO

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**DATE:** November 28, 2006

**TO:** Energy Working Group

**FROM:** Jennifer Brost Sarnecki, AICP, Associate Planner, (213) 236-1829, sarnecki@scag.ca.gov

**SUBJECT:** Regional Comprehensive Plan (RCP) Energy Chapter

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**BACKGROUND:**

Staff is requesting the Energy Working Group's input and support for the preliminary Energy Chapter Performance Outcomes for the Regional Comprehensive Plan (RCP). The RCP Task Force is guiding staff in the development of the preliminary performance outcomes for each of the nine chapters included in the plan. At their October meeting, the RCP Task Force recommended preliminary outcomes and strategies for the Energy Chapter. On November 2, 2006, the Energy and Environment Committee (EEC) released the preliminary energy outcomes for public review and input. The purpose of this discussion is to request comments from the Energy Working Group on whether these outcomes are appropriate, achievable, and a good representation of the policy priorities of the region.

The development of the RCP has proceeded through several stages, including process design and approach, policy compilation and review, and development of preliminary action plans. The process calls for the crafting of specific quantified performance outcomes as a central feature in each chapter. The outcomes represent the region's desired future position among a range of factors. Subsequent to defining these outcomes, the planning process will focus on crafting strategies to assure that the outcomes are achieved.

In approximately six to eight months, staff will present refinements to the outcomes and strategy along with the final draft of the chapter. The final RCP is scheduled to be adopted along with the Regional Transportation Plan (RTP) in December 2007.

**Attachment:**  
Outcomes Proposal

# Regional Comprehensive Plan

## Energy Chapter

### Performance Outcomes and Strategy – Initial Proposal November 2006

**DESCRIPTION:** The initial performance outcomes and strategy included in this proposal are being put forward for consideration by the RCP Task Force, pending their consent, the Energy and Environment Committee (EEC) and the Regional Council (RC). Action by the EEC would direct staff to make technical refinements, and to seek input and participation from stakeholder and interested parties. At the conclusion of this public participation phase (approximately 6 months), staff will make a final proposal to the RCP Task Force, and subsequently, the EEC and RC.

The Performance Outcomes will be the central feature for each RCP Chapter. They establish the goals for the plan, and define the region's values across the range of planning and resource categories covered by the plan. Outcomes should be ambitious but achievable. In some cases, outcomes will be consistent with various requirements in established regional planning processes (such as air quality conformity). In these cases, the RCP outcome will be at least as stringent as the existing requirement.

1. **Outcome:** Decrease the region's consumption of fossil fuels
  - a. **Description:** Household fossil fuel consumption. Is the household fossil fuel consumption increasing or decreasing? The region's goal should be to reduce fossil fuel consumption from non-renewable resources. This may also include decreasing the overall per capita energy consumption (travel fuel, electricity, efficiency efforts for homes and businesses)
  - b. **Initial Proposed Quantified Outcome:** 20% reduction from current conditions<sup>i</sup>
  - c. **Data considerations:** Staff is uncertain if SCAG can substantiate fossil fuel use beyond travel fuel consumption.<sup>ii</sup>
  - d. **Note:** this will be related to VMT outcomes in SCAG's transportation model and air quality management plan
2. **Outcome:** Increase the region's use of renewable energy for electricity production
  - a. **Description:** Percentage share of renewable energy among all energy use.
  - b. **Initial Proposed Quantified Outcome:** Is the percentage share of renewable energy for electricity generation increasing?<sup>iii</sup>
  - c. **Data considerations:** What's "renewable?" The available data source from SCE identifies renewable sources as cogeneration, wind, geothermal, solar, biomass, and small hydropower

3. **Outcome:** Increase the region's use of alternative/renewable fuels for transportation
  - a. **Description:** Alternative travel fuel consumption, aggregate total.
  - b. **Initial Proposed Quantified Outcome:** 20% increase from current conditions?<sup>iv</sup>
  - c. **Data considerations:** What's "alternative?" Can we use state's definition? According to CEC, alternative fuels include electricity and electric drive train, ethanol, biodiesel, natural gas, hydrogen, propane. This data may not be available by county.
  - d. **Note:** could integrate with solid waste (biofuels)

**Activities/Plan Provisions:** The above-proposed outcomes will be addressed through the following initial strategies and activities:

#### Land Use and Zoning Strategies

SCAG, with consultant assistance, will research and report energy best practices in the region. The intent is to create a tool box for local agencies that choose to implement provisions of this plan. It should be noted that some of these strategies are aligned with the Compass 2% Strategy and air quality strategies. The energy efficient measures may include:

- Transit oriented development
- Distributed generation (solar-ready homes, wind, co-generation)
- Green building guidelines/LEED
- Sustainable planning (including water conservation)
- Conversion technologies
- Incentives for energy efficient development including density bonuses, expedited permitting, and fee reductions/waivers for projects that exceed Title 24 or install PV systems
- Encouraging energy policies in general plans
- Encouraging energy analyses in CEQA documents

#### Transportation Decision-making

SCAG, with consultant assistance, will research the economic impact scenarios of reduced oil supplies on the region. As the price of conventional energy increases, alternatives may become more cost effective. In addition, transportation modes and patterns will be affected by increased fuel prices. Related topics include transit investment, revenues from the gas tax, fuel conservation measures, goods movement, aviation planning, and alternative fuels.

#### Planning for Peak Oil

SCAG, with the assistance of a consultant, will forecast energy supply/demand scenarios and recommend local/regional best practices to plan for a constrained energy future. In general, recommendations may include:

- Energy conservation
- Investments in renewable sources of energy
- Local energy production and distributed generation
- Transit oriented development
- Local resources for food (community gardens)
- Examples of Model Programs in the State, Nation, International sources
  - Santa Monica
  - Chula Vista (distributed generation)
  - San Francisco
  - Willits, CA
  - Portland, OR
  - Hamilton, Ontario
  - Denver
  - Sweden
  - Brazil
  - Cuba

**Interconnections:** It is important to note that the energy plan provisions are related to all the subjects in the RCP. The following preliminary list describes some of these interconnections that staff proposes to pursue:

- Water – energy needed for conveyance
- Solid Waste – conversion technologies, biomass, biofuels
- Transportation – VMT reductions, mass transit, local fleet vehicles, goods movement
- Land Use/Housing – VMT reductions, Compass 2% Strategy, smart growth, green buildings
- Air Quality – limiting green house gas emissions, transportation fuels, power plant emissions
- Environmental justice – low-income energy efficiency, location of power plants, emissions in low-income areas, cost burden of energy
- Finance – potential reduction in gas tax revenue
- Economy – potential increase in jobs from a renewable energy industry
- Safety and Security – less dependant on foreign oil; distributed energy for local independence; understand hierarchy of distribution of services for telecommunications, water, fuel, food in case of emergency
- Open Space – permaculture, community gardens, agriculture, green roofs, urban forestry

<sup>i</sup> **State Issue 1:** As recommended by the California Energy Commission, the Governor and the Legislature should adopt a policy to reduce gasoline and diesel fuel demand to 15 percent below 2003 demand levels by 2020 (Source: CEC, Reducing California's Petroleum Dependence, August 2003)

**State Issue 2:** AB 32 (California Global Warming Solutions Act) requires a statewide greenhouse gas emissions limit. Staff will research the bill's impact the use of fossil fuels.

**State Issue 3:** SB 107 requires SCE (and all investor owned utilities) to have 20 percent of its electricity come from renewable sources by 2010.

Related note: Sweden's goal = end dependence on fossil fuels by 2020.

<sup>ii</sup> The current fuel usage data is available from the California Department of Transportation, Division of Transportation System Information, California Motor Vehicle Stock, Travel and Fuel Forecast. There may be additional barriers to obtaining energy consumption data from the CEC for the SCAG region since it does not match the SCE territory and may not account for municipal utilities. [Staff will continue to work with the energy consultant on this issue]

<sup>iii</sup> **State issue 1:** California's RPS program was established to help diversify the state's electricity system and reduce its growing dependence on natural gas by increasing the percentage of renewables in the state's electricity mix to 20 percent by 2010. When the RPS was passed in 2002, California's electricity mix was 10.96 percent renewable. After three years of RPS implementation, however, generation from RPS-eligible resources has not grown faster than generation from other resources. As a result, the percentage of renewables in California in 2005 has not increased, but remained at just under 11 percent. (Source: CEC, [http://www.energy.ca.gov/2007\\_energypolicy/notices/2006-07-06\\_ATTACHMENT\\_A.PDF](http://www.energy.ca.gov/2007_energypolicy/notices/2006-07-06_ATTACHMENT_A.PDF))

**State Issue 2:** In June 2005, the Governor stated his goal is to meet 33 percent of statewide electric power supply with renewable energy by 2020 (increased from 20 percent by 2010) through the greenhouse gas emission reduction plan. (Source: CEC and CPUC (2005): Energy Action Plan II - Implementation Roadmap for Energy Policies; CEC (2005): 2005 Integrated Energy Policy Report - Committee Draft Report CEC-100-2005-007-CTD.) A CPUC Report found that it is economically and technologically feasible to achieve a 33% RPS in California by 2020.

**State Issue 3:** As stated in the CPUC report entitled, "Achieving a 33% Renewable Energy Target," accessing California's renewable resources to meet a 33 percent RPS will require expanding transmission capacity, increasing system operational flexibility, and changes to tariffs and rules governing use of the transmission system. Accomplishing this will need the coordinated efforts of the Federal Energy Regulatory Commission (FERC), the California Public Utilities Commission (CPUC), the California Independent System Operator (ISO) and the California Energy Commission (CEC)." (Source: CPUC, Achieving a 33% Renewable Energy Target, November 1, 2005, [http://www.cpuc.ca.gov/word\\_pdf/misc/051102\\_FinalDraftReport\\_RenewableEnergy.pdf](http://www.cpuc.ca.gov/word_pdf/misc/051102_FinalDraftReport_RenewableEnergy.pdf))

<sup>iv</sup> **State Issue 1:** Use 20% alternative fuels by 2020 (alternative fuels include electricity and electric drive train, ethanol, biodiesel, natural gas, hydrogen, propane). Assembly Bill (AB) 1007 (Pavley, Chapter 371, Statutes of 2005) requires the California Energy Commission (Energy Commission) to prepare a state plan no later than June 30, 2007, to increase the use of alternative fuels in California (Alternative Fuels Plan). (Source, CEC, <http://energy.ca.gov/ab1007/> )

**State Issue 2:** AB 32 (California Global Warming Solutions Act) requires a statewide greenhouse gas emissions limit. Staff will research the bill's impact the use of fossil fuels.